

Agency Legislative Budget

The following table summarizes the total legislative budget for the agency by year, type of expenditure, and source of funding. Also included in the table is HB` 447 pay plan allocation.

Agency Legislative Budget								
Budget Item	Base Budget Fiscal 2004	PL Base Adjustment Fiscal 2006	New Proposals Fiscal 2006	Total Leg. Budget Fiscal 2006	PL Base Adjustment Fiscal 2007	New Proposals Fiscal 2007	Total Leg. Budget Fiscal 2007	Total Leg. Budget Fiscal 06-07
FTE	707.48	19.10	0.00	726.58	19.10	0.00	726.58	726.58
Personal Services	27,192,817	4,365,190	966,848	32,524,855	4,360,380	2,526,886	34,080,083	66,604,938
Operating Expenses	15,428,118	2,991,689	0	18,419,807	2,908,583	0	18,336,701	36,756,508
Equipment	358,420	39,000	0	397,420	35,000	0	393,420	790,840
Capital Outlay	0	0	0	0	0	0	0	0
Grants	16,811,904	457,492	0	17,269,396	467,055	0	17,278,959	34,548,355
Benefits & Claims	186,799	0	0	186,799	0	0	186,799	373,598
Transfers	129,297	0	0	129,297	0	0	129,297	258,594
Debt Service	3,775	0	0	3,775	0	0	3,775	7,550
Total Costs	\$60,111,130	\$7,853,371	\$966,848	\$68,931,349	\$7,771,018	\$2,526,886	\$70,409,034	\$139,340,383
General Fund	1,155,525	56,889	429,677	1,642,091	81,280	471,797	1,708,602	3,350,693
State/Other Special	24,912,507	4,749,916	827,964	30,490,387	4,860,087	1,839,107	31,611,701	62,102,088
Federal Special	33,982,053	3,027,404	(292,713)	36,716,744	2,811,348	211,076	37,004,477	73,721,221
Proprietary	61,045	19,162	1,920	82,127	18,303	4,906	84,254	166,381
Total Funds	\$60,111,130	\$7,853,371	\$966,848	\$68,931,349	\$7,771,018	\$2,526,886	\$70,409,034	\$139,340,383

Agency Description

The Department of Labor and Industry has a number of functions. In part, the department:

- Oversees and regulates the Montana workers' compensation system
- Enforces state and federal labor standards, anti-discrimination laws, and state and federal safety-occupational health laws
- Provides adjudicative services in labor-management disputes
- Administers the Unemployment Insurance Program and disburses state unemployment benefits
- Serves as an employment agency, provides job training to assist individuals in preparing for and finding jobs, and assists employers in finding workers
- Oversees federal and state training and Apprenticeship Programs
- Conducts research and collects employment statistics
- Administers the federal AmeriCorps, Campus Corps, and Volunteer Montana programs through the Office of Community Services
- Licenses, inspects, tests, and certifies all weighing or measuring devices used in making commercial transactions in the State of Montana
- Provides administrative and clerical services to the 38 professional boards and occupational licensing programs authorized by state statutes
- Establishes and enforces minimum building codes

Structurally, the department is divided into five divisions: 1) Workforce Services; 2) Unemployment Insurance; 3) Commissioner's Office/Centralized Services; 4) Employment Relations (including the Human Rights Commission); and 5) Business Standards. The Office of Community Services and Workers' Compensation Court are administratively attached.

Agency Highlights

Department of Labor and Industry Major Budget Highlights	
<p>Total funding increases of \$19.1 million over the FY 2004 base year are due to the following:</p> <ul style="list-style-type: none"> ◆ Statewide and other present law adjustments of \$15.6 million include: <ul style="list-style-type: none"> • Statewide present law adjustments (\$6.4 million) • Operating cost increases for the four different bureaus in the Business Standards Division (\$2.7 million) • Completing the transfer of the UI Contribution Bureau from the Department of Revenue (\$1.7 million) • Revising independent contractor registration (\$1.6 million) • Adding 6.0 FTE and \$1.5 million for additional staffing and training in rural job service centers ◆ New proposals of \$3.5 million are due to implementing HB 447, the statewide pay plan 	

Summary of Legislative Action

Of the \$19.1 million in increases over the 2004 base expenditures, general fund increases by \$1.0 million and state special state special accounts for \$12.3 million of the overall increases, leaving federal special revenue with an increase of \$5.8 million over the biennium.

The \$1.0 million increase in general fund is primarily due to funding switches of \$800,000 for the Jobs for Montana Graduates and the Humans Rights Bureau from federal and state special revenue over the biennium. The remaining increases in general fund are to implement HB 447, the statewide pay plan.

The majority of the increases in the 2007 biennium are funded with state special revenue for statewide present law adjustments.

In the 2005 biennium the legislature passed SB 271, which transferred 43.0 FTE from the Department of Revenue to the Department of Labor and Industry for processing and collecting of unemployment insurance. Those 43.0 FTE were transferred in the last biennium but were not in the base year expenditures for the department. Of the \$6.4 million in statewide present law adjustments, SB 271 accounted for \$3.6 million of this total. The 2005 legislature appropriated additional spending authority of \$1.7 million for completing the transfer of the UI Contribution Bureau and increased staffing by 6.0 FTE in rural job services centers throughout Montana at a cost of \$1.5 million.

The remaining increases are primarily due to funding HB 447, the statewide pay plan and operating cost adjustments for the department.

Federal special revenue increases consist mainly of funding the statewide pay plan and the cost associated with collecting the federal portion of unemployment insurance.

Funding

The following table summarizes funding for the agency, by program and source, as adopted by the legislature. Funding for each program is discussed in detail in the individual program narratives that follow

Total Agency Funding 2007 Biennium Legislative Budget						
Agency Program	General Fund	State Spec.	Fed Spec.	Proprietary	Grand Total	Total %
01 Work Force Services Division	\$ 1,074,772	\$ 18,235,088	\$ 48,251,055	\$ -	\$ 67,560,915	48.49%
02 Unemployment Insurance Divisio	-	1,320,046	18,361,861	-	19,681,907	14.13%
03 Commissioner'S Office/Csd	405,968	1,587,806	960,833	166,381	3,120,988	2.24%
04 Employment Relations Division	1,769,755	15,413,196	1,322,021	-	18,504,972	13.28%
05 Business Standards Division	-	24,395,949	-	-	24,395,949	17.51%
07 Office Of Community Services	100,198	-	4,825,451	-	4,925,649	3.53%
09 Workers Compensation Court	-	1,150,003	-	-	1,150,003	0.83%
Grand Total	\$ 3,350,693	\$ 62,102,088	\$ 73,721,221	\$ 166,381	\$ 139,340,383	100.00%

Other Legislation

House Bill 160 - HB 160 increases fees for boiler inspections and certification activities due to workload increases. It is estimated there will be 3,130 hot water boiler inspections done in the 2007 biennium and the current fee schedule does not generate sufficient revenues to cover the cost of the inspections. State special revenue authority of \$50,375 per year was appropriated for the increases provided for in HB 160.

House Bill 203 - HB 203 expands and clarifies the responsibility of the boards in the Department of Labor and Industry. The Board of Sanitarians, Public Accountants, and Athletics expanded their board members by two members and received additional spending authority for travel and per diem for the new board members. To implement HB 203, the legislature appropriated \$26,000 each year of state special revenue for expanding the above-mentioned boards.

House Bill 268 - HB 268 creates a new five-member board for the Alternative Adolescent Residential Program and appropriates \$42,650 of state special revenue for the biennium. The purpose of the board is to examine the benefit of licensing private Alternative Adolescent Residential or Outdoor Programs as a public service to monitor and maintain a high standard of care and to ensure the safety and well being of the adolescents and parents using the programs.

House Bill 327- HB 327 appropriates \$26,400 each year of general fund to increase silicosis benefits by \$50 each month for any individual receiving benefits.

Senate Bill 64 - SB 64 revises laws that cover contractor registration, construction contractors, and specifies the disposal of construction contractor and independent contractor registration and fees. The legislature appropriated \$129,756 of state special revenue over the 2007 biennium to implement SB 64.

Senate Bill 108 - SB 108 revises the requirements for certification of independent contractors. The legislature appropriated \$1.6 million and added 6.0 FTE in HB 2 in the Employment Relations Division over the biennium to implement SB 108.

Senate Bill 412 - SB 412 establishes licensure and regulation for elevator contractors, mechanics, and inspectors and authorizes the Department of Labor and Industry to provide for a limited mechanic's license and a limited elevator contractor's license. SB 412 also provides for the appointment of a licensed elevator mechanic to the building codes council. Total fiscal impact for implementing SB 412 is \$85,390 of state special revenue over the 2007 biennium.

Executive Budget Comparison

The following table compares the legislative budget for the 2007 biennium to the budget requested by the Governor, by type of expenditure and source of funding.

Executive Budget Comparison								
Budget Item	Base Budget Fiscal 2004	Executive Budget Fiscal 2006	Legislative Budget Fiscal 2006	Leg – Exec. Difference Fiscal 2006	Executive Budget Fiscal 2007	Legislative Budget Fiscal 2007	Leg – Exec. Difference Fiscal 2007	Biennium Difference Fiscal 06-07
FTE	707.48	714.08	726.58	12.50	714.08	726.58	12.50	
Personal Services	27,192,817	31,051,686	32,524,855	1,473,169	31,048,274	34,080,083	3,031,809	4,504,978
Operating Expenses	15,428,118	17,631,967	18,419,807	787,840	17,697,974	18,336,701	638,727	1,426,567
Equipment	358,420	397,420	397,420	0	393,420	393,420	0	0
Capital Outlay	0	0	0	0	0	0	0	0
Grants	16,811,904	16,811,904	17,269,396	457,492	16,811,904	17,278,959	467,055	924,547
Benefits & Claims	186,799	186,799	186,799	0	186,799	186,799	0	0
Transfers	129,297	129,297	129,297	0	129,297	129,297	0	0
Debt Service	3,775	3,775	3,775	0	3,775	3,775	0	0
Total Costs	\$60,111,130	\$66,212,848	\$68,931,349	\$2,718,501	\$66,271,443	\$70,409,034	\$4,137,591	\$6,856,092
General Fund	1,155,525	1,826,079	1,642,091	(183,988)	1,848,340	1,708,602	(139,738)	(323,726)
State/Other Special	24,912,507	27,686,362	30,490,387	2,804,025	27,922,361	31,611,701	3,689,340	6,493,365
Federal Special	33,982,053	36,620,200	36,716,744	96,544	36,421,394	37,004,477	583,083	679,627
Proprietary	61,045	80,207	82,127	1,920	79,348	84,254	4,906	6,826
Total Funds	\$60,111,130	\$66,212,848	\$68,931,349	\$2,718,501	\$66,271,443	\$70,409,034	\$4,137,591	\$6,856,092

For the biennium, the legislative budget is \$6.8 million higher than the executive budget proposal. The legislature made the following major changes:

The decrease in general fund of \$323,726 is the net result of not accepting the executive proposal to fund the Displaced Homemaker program with general fund, instead funding the program with the employment security account (ESA), and funding increases for HB 447, the statewide pay plan.

The legislature increased state special revenue appropriations by \$6.5 million primarily due to the following. The legislature:

- Replaced \$447,570 in federal special revenue funding over the biennium with state special revenue in the Unemployment Contribution Bureau to complete the transfer of the Contribution Bureau from the Department of Revenue
- Appropriated an additional \$1.5 million of employment security account funds (ESA) and added 6.00 FTE in local workforce centers in rural communities to provide additional training to small businesses in those communities
- Revised the requirements for independent contractor registration (\$1.6 million)
- Funded the Displaced Homemaker program with ESA instead of general fund (\$464,820)
- Funded HB 447, the statewide pay plan (\$2.2 million)

Federal special revenue is increased by \$679,627 due to the net effect of increases for funding the statewide pay plan and decreases in the new cost allocation plan submitted to the federal Unemployment Insurance Division for collecting the ESA funds with Unemployment Insurance tax.

The increase in proprietary funding of \$6,826 is for HB 447, the statewide pay plan.

Program Legislative Budget

The following table summarizes the total legislative budget for the program by year, type of expenditure, and source of funding. Also included in the table is HB 447 pay plan allocation.

Program Legislative Budget								
Budget Item	Base Budget Fiscal 2004	PL Base Adjustment Fiscal 2006	New Proposals Fiscal 2006	Total Leg. Budget Fiscal 2006	PL Base Adjustment Fiscal 2007	New Proposals Fiscal 2007	Total Leg. Budget Fiscal 2007	Total Leg. Budget Fiscal 06-07
FTE	302.45	5.75	0.00	308.20	5.75	0.00	308.20	308.20
Personal Services	11,555,867	1,196,777	397,415	13,150,059	1,192,116	1,040,311	13,788,294	26,938,353
Operating Expenses	4,783,957	241,900	0	5,025,857	195,375	0	4,979,332	10,005,189
Equipment	79,168	0	0	79,168	0	0	79,168	158,336
Capital Outlay	0	0	0	0	0	0	0	0
Grants	14,637,948	457,492	0	15,095,440	467,055	0	15,105,003	30,200,443
Transfers	129,297	0	0	129,297	0	0	129,297	258,594
Total Costs	\$31,186,237	\$1,896,169	\$397,415	\$33,479,821	\$1,854,546	\$1,040,311	\$34,081,094	\$67,560,915
General Fund	363,669	10,727	157,844	532,240	10,726	168,137	542,532	1,074,772
State/Other Special	7,024,859	1,004,172	759,765	8,788,796	1,164,038	1,257,395	9,446,292	18,235,088
Federal Special	23,797,709	881,270	(520,194)	24,158,785	679,782	(385,221)	24,092,270	48,251,055
Proprietary	0	0	0	0	0	0	0	0
Total Funds	\$31,186,237	\$1,896,169	\$397,415	\$33,479,821	\$1,854,546	\$1,040,311	\$34,081,094	\$67,560,915

Program Description

The Workforce Services Division (WSD) operates through five bureaus: Field Operations, Workforce Technology, Statewide Workforce Programs, Job Service Programs, and Research and Analysis. The Field Operations Bureau functions through a network of 17 Job Service Centers. The division is a gateway to government services in the area of employment and training services. The WSD performs services that include retraining and reemployment services for laid-off workers and employment and training services for people transitioning from welfare to work, as well as for youth, veterans, seasonal/migrant farm workers, and general job seekers.

Program Highlights

Work Force Services Division Major Budget Highlights	
♦	Federal Reed act funds was replaced with general fund in the Jobs for Montana Graduates Program and employment security account (ESA) funds in the Displaced Homemaker Program
♦	The legislature added 6.0 FTE and appropriated \$1.5 million in ESA funds for additional staffing and training in rural job service centers throughout Montana
♦	The remaining increases are primarily due to statewide present law adjustments, funding for the statewide pay plan, and increases in operating costs for the division

Funding

The following table shows program funding, by source, for the base year and for the 2007 biennium as adopted by the legislature.

		Program Funding Table Work Force Services Division					
Program Funding		Base FY 2004	% of Base FY 2004	Budget FY 2006	% of Budget FY 2006	Budget FY 2007	% of Budget FY 2007
01000	Total General Fund	\$ 363,669	1.2%	\$ 532,240	1.6%	\$ 542,532	1.6%
	01100 General Fund	363,669	1.2%	532,240	1.6%	542,532	1.6%
02000	Total State Special Funds	7,024,859	22.5%	8,788,796	26.3%	9,446,292	27.7%
	02069 Natural Resource Worker Sb322	13,508	0.0%	13,508	0.0%	13,508	0.0%
	02258 Employment Security Account	4,932,048	15.8%	6,622,698	19.8%	7,169,799	21.0%
	02288 Mjtp Subgrants/Contracts	1,954,423	6.3%	2,003,181	6.0%	2,108,294	6.2%
	02315 Dli Info Exchange/Rental	77,730	0.2%	81,381	0.2%	83,912	0.2%
	02455 Workers' Comp Regulation	47,150	0.2%	68,028	0.2%	70,779	0.2%
03000	Total Federal Special Funds	23,797,709	76.3%	24,158,785	72.2%	24,092,270	70.7%
	03124 Employment Trng Grants	2,698,467	8.7%	2,742,992	8.2%	2,848,614	8.4%
	03126 Workforce Investment Act	10,057,331	32.2%	10,067,168	30.1%	10,083,262	29.6%
	03128 L & I Federal Funding	698,573	2.2%	776,799	2.3%	826,520	2.4%
	03131 Osha Stat Prgm Fed.St Sdy	47,319	0.2%	68,013	0.2%	70,738	0.2%
	03194 Research/Analysis Crn	826,995	2.7%	951,019	2.8%	986,715	2.9%
	03297 Labor And Industry Veteran Gra	688,198	2.2%	700,157	2.1%	721,118	2.1%
	03682 Wagner Peyser	5,473,631	17.6%	5,618,413	16.8%	5,772,634	16.9%
	03692 Alien Labor Certification(Alc)	59,501	0.2%	59,750	0.2%	61,607	0.2%
	03693 Wrk Opportunities Tx Crdt/Wotc	64,607	0.2%	81,416	0.2%	76,387	0.2%
	03694 Trade Adjustment Assist/Nafta	2,513,121	8.1%	3,079,333	9.2%	2,630,950	7.7%
	03954 Ui Administrative Grants	65,549	0.2%	13,725	0.0%	13,725	0.0%
	03967 Ui Reed Act	604,417	1.9%	-	-	-	-
Grand Total		<u>\$ 31,186,237</u>	<u>100.0%</u>	<u>\$ 33,479,821</u>	<u>100.0%</u>	<u>\$ 34,081,094</u>	<u>100.0%</u>

The Workforce Service Division operations for the biennium are funded with general fund, state special, and federal special revenues.

General fund supports the Jobs for Montana Graduates program (JMG) and the empowerment zone created by the 2003 legislative session under SB 564.

State special revenue includes \$14.5 million in employment security account (ESA) funding and \$4.0 million in workforce investment act sub-grants and contracts, including National Emergency Grants to retrain dislocated workers following a mass lay-off. The ESA supports the Displaced Homemaker Program.

Federal funding includes \$20.1 million in workforce investment act (WIA) funds, \$16.3 million in federal labor and industry funds, and \$5.7 million in trade adjustment assistance funding.

The federal funding formulas have remained basically the same as in previous biennia. The funding level is determined by the state's ranking amongst other states within several economic categories. These categories consist of the following:

- The number of unemployed workers
- The unemployment rate
- The number of residents considered economically disadvantaged

Present Law Adjustments

The "Present Law Adjustments" table shows the primary changes to the adjusted base budget made by the legislature. "Statewide Present Law" adjustments are standard categories of adjustments made to all agencies. Legislative decisions on these items were applied globally to all agencies. The other numbered adjustments in the table correspond to the narrative descriptions.

Present Law Adjustments										
-----Fiscal 2006-----					-----Fiscal 2007-----					
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Personal Services					1,520,603					1,516,330
Vacancy Savings					(523,066)					(522,907)
Inflation/Deflation					(31,444)					(32,399)
Fixed Costs					(70,912)					(69,714)
Total Statewide Present Law Adjustments					\$895,181					\$891,310
DP 6 - Workforce Services Division Operating Adjustments	0.00	0	100,587	125,547	226,134	0.00	0	99,871	126,708	226,579
DP 7 - Statewide FTE Reduction	(0.25)	(10,640)	0	0	(10,640)	(0.25)	(10,605)	0	0	(10,605)
DP 11 - Workforce Training/Staffing in Rural Communities	6.00	0	772,144	0	772,144	6.00	0	733,912	0	733,912
DP 999 - Empowerment Zone	0.00	13,350	0	0	13,350	0.00	13,350	0	0	13,350
Total Other Present Law Adjustments	5.75	\$2,710	\$872,731	\$125,547	\$1,000,988	5.75	\$2,745	\$833,783	\$126,708	\$963,236
Grand Total All Present Law Adjustments					\$1,896,169					\$1,854,546

DP 6 - Workforce Services Division Operating Adjustments - The legislature approved an increase in the department's cost allocation plan of \$202,833 in FY 2006 and \$201,003 in FY 2007 and rent increases in the Research and Analysis Bureau of \$23,301 in FY 2006 and \$25,576 in FY 2007.

DP 7 - Statewide FTE Reduction - The legislature approved a reduction of general fund each year to eliminate 0.25 FTE from the division to make permanent a personal services reduction made by the 2003 legislature.

DP 11 - Workforce Training/Staffing in Rural Communities - The legislature approved an additional appropriation from the employment security account (ESA) for additional training and added 6.00 FTE for additional staffing in job service centers located in rural communities throughout Montana.

DP 999 - Empowerment Zone - The legislature approved restoring general fund authority given in the 2003 legislative session under HB 564, which allows a tax credit for businesses that create new jobs within empowerment zones.

New Proposals

New Proposals										
-----Fiscal 2006-----					-----Fiscal 2007-----					
Program	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 1 - General Fund/ESA/Reed Act Funding Switch										
01	0.00	150,649	453,768	(604,417)	0	0.00	150,027	454,390	(604,417)	0
DP 6010 - 2007 Biennium Pay Plan - HB 447										
01	0.00	7,195	305,997	84,223	397,415	0.00	18,110	803,005	219,196	1,040,311
Total	0.00	\$157,844	\$759,765	(\$520,194)	\$397,415*	0.00	\$168,137	\$1,257,395	(\$385,221)	\$1,040,311*

DP 1 - General Fund/ESA/Reed Act Funding Switch - The legislature approved a funding switch from the one-time distribution of Reed act funds to general fund and ESA funds. In the 2003 legislative session, general fund was replaced

with ESA funds and back-filled with Reed act funds in Jobs for Montana Graduates and Displaced Homemakers Programs. The legislature approved funding the Jobs for Montana Graduates with general fund and funded the Displaced Homemaker program with ESA funds.

DP 6010 - 2007 Biennium Pay Plan - HB 447 - The legislature passed a pay plan in HB 447 that provides an additional 3.5 percent (or \$1,005, whichever is greater) in FY 2006 and an additional 4.0 percent (or \$1,188, whichever is greater) in FY 2007, as well as \$46 per month in insurance contributions in calendar 2006 and an additional \$51 per month in calendar 2007. These amounts represent the program's allocation of costs to fund this pay plan.

Proprietary Rates

Proprietary Program Description

The Montana Career Information System (MCIS) has been active in Montana since 1980. The purpose of MCIS is to deliver current career and labor market information to Montanans in an easy-to-use and easy-to-understand format. This is the only career information delivery system in the country that has specific Montana labor market information included in each file. MCIS is currently being used at over 200 sites throughout the state by a wide variety of users including: job service offices, vocational rehabilitation offices, high schools, community colleges, universities, tribal colleges, educational and training agencies, and adult education programs.

Proprietary Revenues and Expenses

Revenue comes to MCIS by billing users for the software and licensing.

Proprietary Rate Explanation

The fees charged by MCIS are not to exceed \$1,500 per site. High schools with enrollments over 200, all postsecondary schools, and all agencies and businesses are charged \$1,150 per year. Smaller high schools are charged \$575-\$977 depending on enrollment, and school districts are charged \$2,000 per year. Discounted rates are available for small schools and groups.

Program Legislative Budget

The following table summarizes the total legislative budget for the program by year, type of expenditure, and source of funding. Also included in the table is HB 447 pay plan allocation.

Program Legislative Budget								
Budget Item	Base Budget Fiscal 2004	PL Base Adjustment Fiscal 2006	New Proposals Fiscal 2006	Total Leg. Budget Fiscal 2006	PL Base Adjustment Fiscal 2007	New Proposals Fiscal 2007	Total Leg. Budget Fiscal 2007	Total Leg. Budget Fiscal 06-07
FTE	150.50	6.00	0.00	156.50	6.00	0.00	156.50	156.50
Personal Services	4,394,003	1,862,001	199,670	6,455,674	1,859,575	523,943	6,777,521	13,233,195
Operating Expenses	2,491,240	731,017	0	3,222,257	713,943	0	3,205,183	6,427,440
Equipment	7,126	0	0	7,126	0	0	7,126	14,252
Benefits & Claims	(265)	0	0	(265)	0	0	(265)	(530)
Transfers	0	0	0	0	0	0	0	0
Debt Service	3,775	0	0	3,775	0	0	3,775	7,550
Total Costs	\$6,895,879	\$2,593,018	\$199,670	\$9,688,567	\$2,573,518	\$523,943	\$9,993,340	\$19,681,907
State/Other Special	127,613	532,410	0	660,023	532,410	0	660,023	1,320,046
Federal Special	6,768,266	2,060,608	199,670	9,028,544	2,041,108	523,943	9,333,317	18,361,861
Total Funds	\$6,895,879	\$2,593,018	\$199,670	\$9,688,567	\$2,573,518	\$523,943	\$9,993,340	\$19,681,907

Program Description

The Unemployment Insurance (UI) Division administers the state unemployment insurance law and related federal programs, which provide temporary, partial wage replacement to involuntarily unemployed individuals. The UI Division is organized into four bureaus: UI Contributions, UI Benefits, UI Program Support, and UI Phone Claims. The UI Tax administration was transferred back to the Department of Labor from the Department of Revenue by the 2003 Legislature under SB 271. The Contributions Bureau is responsible for UI tax collection and employer audits. The UI Benefits Bureau is responsible for Trade Readjustment Assistance, military, federal and multi-state claims, benefit payment control, wage revisions, and clerical support. The UI Program Support Bureau manages the information technology systems and infrastructure, the division budget and accounting, and the UI trust fund. They also provide management analysis and research for economic, program management, reporting and legislative purposes, in addition to operating tax and benefit quality control and integrity programs. The UI Phone Claims Bureau has two phone centers (Billings and Helena) for claimants to file unemployment claims, and for employers to make UI related inquiries.

Program Highlights

Unemployment Insurance Division Major Budget Highlights	
♦	The primary funding increase completes the transfer of the UI Contribution Bureau from the Department of Revenue
♦	The remaining increases are primarily due to statewide present law adjustments, funding for the statewide pay plan, and increases in operating costs for the division

Funding

The following table shows program funding, by source, for the base year and for the 2007 biennium as adopted by the legislature.

		Program Funding Table Unemployment Insurance Division					
Program Funding		Base FY 2004	% of Base FY 2004	Budget FY 2006	% of Budget FY 2006	Budget FY 2007	% of Budget FY 2007
02000	Total State Special Funds	\$ 127,613	1.9%	\$ 660,023	6.8%	\$ 660,023	6.6%
	02258 Employment Security Account	117,917	1.7%	650,327	6.7%	650,327	6.5%
	02315 Dli Info Exchange/Rental	9,696	0.1%	9,696	0.1%	9,696	0.1%
03000	Total Federal Special Funds	6,768,266	98.1%	9,028,544	93.2%	9,333,317	93.4%
	03277 U.I. Penalty & Interest	80,658	1.2%	-	-	-	-
	03278 Ui Penalty & Interest	-	-	80,658	0.8%	80,658	0.8%
	03944 Ui Supplemental Grants	22,985	0.3%	-	-	-	-
	03954 Ui Administrative Grants	<u>6,664,623</u>	<u>96.6%</u>	<u>8,947,886</u>	<u>92.4%</u>	<u>9,252,659</u>	<u>92.6%</u>
Grand Total		<u>\$ 6,895,879</u>	<u>100.0%</u>	<u>\$ 9,688,567</u>	<u>100.0%</u>	<u>\$ 9,993,340</u>	<u>100.0%</u>

The Unemployment Insurance Division (UI) is funded with state special and federal special revenue. State special revenue consists of the employment security account (ESA) and information exchange/rental funds. Federal special revenue is derived from UI administrative grants and UI penalty and interest.

Present Law Adjustments

The "Present Law Adjustments" table shows the primary changes to the adjusted base budget made by the legislature. "Statewide Present Law" adjustments are standard categories of adjustments made to all agencies. Legislative decisions on these items were applied globally to all agencies. The other numbered adjustments in the table correspond to the narrative descriptions.

Present Law Adjustments										
-----Fiscal 2006-----					-----Fiscal 2007-----					
FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds	
Personal Services				1,824,946						1,822,877
Vacancy Savings				(248,759)						(248,675)
Inflation/Deflation				(8,404)						(8,582)
Fixed Costs				34,830						35,368
Total Statewide Present Law Adjustments				\$1,602,613						\$1,600,988
DP 5 - Transfer UI Contributions Bureau from DOR to DLI										
3.00	0	532,410	298,803	831,213	3.00	0	532,410	298,237	830,647	
DP 7 - Unemployment Insurance Division Budget Adjustments										
3.00	0	0	141,942	141,942	3.00	0	0	141,883	141,883	
DP 8 - SUTA Dumping - Programming Changes - OTO										
0.00	0	0	17,250	17,250	0.00	0	0	0	0	
Total Other Present Law Adjustments										
6.00	\$0	\$532,410	\$457,995	\$990,405	6.00	\$0	\$532,410	\$440,120	\$972,530	
Grand Total All Present Law Adjustments				\$2,593,018						\$2,573,518

DP 5 - Transfer UI Contributions Bureau from DOR to DLI - The legislature approved additional state special revenue from the ESA and federal special revenue from UI administrative grants to complete the transfer of the Contributions Bureau from the Department of Revenue. The increases include the following:

- o Increased expenditures for 6 leased vehicles for field auditors at \$32,175 per year
- o Indirect costs of \$152,585 in FY 2006 and \$152,415 in FY 2007 to support centralized services in the Department of Labor and Industry
- o Funding for 3.00 additional FTE: 1) 1.00 FTE for computer support for the transferred UI staff; and 2) 2.00 FTE for ongoing programming on the MAC UI tax system. Total personal services costs are \$166,913 in FY 2006 and \$167,517 in FY 2007

- Computer processing and telephone charges from the Department of Administration of \$295,000 per year.
- Rental of non-state building of \$80,000 per year
- Printing, photocopying, postage, and miscellaneous office expenditures of \$79,500 per year

DP 7 - Unemployment Insurance Division Budget Adjustments - The legislature approved additional federal funding authority from UI administrative grants for the following:

- Restoration of per diem for the Board of Labor Appeals for \$8,000 a year. The per diem request equals the base year expenditure
- Indirect costs of \$38,041 in FY 2006 and \$38,027 in FY 2007
- Funding for 2.00 FTE in the claims processing center to serve as customer service representatives, and additional funding for 1.00 FTE as a collection technician; total funding costs approximately \$95,000 per year

DP 8 - SUTA Dumping - Programming Changes - OTO - The legislature appropriated federal special revenue to implement HB 159, which revises unemployment insurance and state unemployment tax (SUTA) dumping laws.

New Proposals

New Proposals										
Program	FTE	Fiscal 2006				Fiscal 2007				
		General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 6010 - 2007 Biennium Pay Plan - HB 447										
02	0.00	0	0	199,670	199,670	0.00	0	0	523,943	523,943
Total	0.00	\$0	\$0	\$199,670	\$199,670*	0.00	\$0	\$0	\$523,943	\$523,943*

DP 6010 - 2007 Biennium Pay Plan - HB 447 - The legislature passed a pay plan in HB 447 that provides an additional 3.5 percent (or \$1,005, whichever is greater) in FY 2006 and an additional 4.0 percent (or \$1,188, whichever is greater) in FY 2007, as well as \$46 per month in insurance contributions in calendar 2006 and an additional \$51 per month in calendar 2007. These amounts represent the program's allocation of costs to fund this pay plan.

Proprietary Rates

Proprietary Program Description

The Department of Labor and Industry (DLI) collects the contributions paid by employers, based on their industry or individual experience rate, to pay for unemployment insurance. DLI expends the funds by paying unemployment insurance benefit claims.

Proprietary Revenues and Expenses

The revenues received in the proprietary fund are for the Unemployment Insurance Program tax collections, federal reimbursement for claims on federal employees, military personnel, and claimants in other states, and interest earnings to the unemployment insurance trust fund. The expenditures are unemployment insurance benefits paid to claimants while unemployed, including federal withholding tax and child support payments the claimants have elected to have taken out of the benefit check.

Proprietary Rate Explanation

The Unemployment Insurance Division administers the state unemployment insurance law. There is no proprietary rate but a collection of contributions, based upon past claim history, from employers that are then used to pay the unemployment insurance benefits to claimants who have involuntarily become unemployed.

Program Legislative Budget

The following table summarizes the total legislative budget for the program by year, type of expenditure, and source of funding. Also included in the table is HB 447 pay plan allocation.

Program Legislative Budget								
Budget Item	Base Budget Fiscal 2004	PL Base Adjustment Fiscal 2006	New Proposals Fiscal 2006	Total Leg. Budget Fiscal 2006	PL Base Adjustment Fiscal 2007	New Proposals Fiscal 2007	Total Leg. Budget Fiscal 2007	Total Leg. Budget Fiscal 06-07
FTE	20.00	0.00	0.00	20.00	0.00	0.00	20.00	20.00
Personal Services	976,246	241,151	34,713	1,252,110	240,592	89,240	1,306,078	2,558,188
Operating Expenses	247,942	32,590	0	280,532	34,326	0	282,268	562,800
Total Costs	\$1,224,188	\$273,741	\$34,713	\$1,532,642	\$274,918	\$89,240	\$1,588,346	\$3,120,988
General Fund	115,598	22,348	61,283	199,229	22,075	69,066	206,739	405,968
State/Other Special	648,139	170,080	(38,497)	779,722	170,563	(10,618)	808,084	1,587,806
Federal Special	399,499	62,058	10,007	471,564	63,884	25,886	489,269	960,833
Proprietary	60,952	19,255	1,920	82,127	18,396	4,906	84,254	166,381
Total Funds	\$1,224,188	\$273,741	\$34,713	\$1,532,642	\$274,918	\$89,240	\$1,588,346	\$3,120,988

Program Description

The Commissioner's Office and the Legal and Centralized Services Division (CSD) provide program direction, legal, administration, and support services to the department. Legal and Centralized Services provides the central support functions of the department through five bureaus: 1) Fiscal Support; 2) Technical Services; 3) Human Resources; 4) Hearings; and 5) Legal Services.

Program Highlights

Commissioner's Office/Central Services Division Major Budget Highlights	
♦	The funding associated with the Human Rights Program is replaced with general fund from the employment security account
♦	The remaining increases are primarily due to statewide present law adjustments, funding for the statewide pay plan, and increases in operating costs for the division

Funding

The following table shows program funding, by source, for the base year and for the 2007 biennium as adopted by the legislature.

		Program Funding Table Commissioner's Office/CSD					
Program Funding		Base FY 2004	% of Base FY 2004	Budget FY 2006	% of Budget FY 2006	Budget FY 2007	% of Budget FY 2007
01000	Total General Fund	\$ 115,598	9.4%	\$ 199,229	13.0%	\$ 206,739	13.0%
	01100 General Fund	115,598	9.4%	199,229	13.0%	206,739	13.0%
02000	Total State Special Funds	648,139	52.9%	779,722	50.9%	808,084	50.9%
	02258 Employment Security Account	203,611	16.6%	203,827	13.3%	211,828	13.3%
	02315 Dli Info Exchange/Rental	1,546	0.1%	1,546	0.1%	1,546	0.1%
	02448 Building Codes State Spec Rev	76,763	6.3%	97,029	6.3%	102,971	6.5%
	02455 Workers' Comp Regulation	153,116	12.5%	196,092	12.8%	205,926	13.0%
	02824 Board Of Medical Examiners	67,451	5.5%	82,828	5.4%	77,942	4.9%
	02833 Board Of Nursing	71,008	5.8%	97,030	6.3%	102,276	6.4%
	02941 Uninsured Employer Fund	74,644	6.1%	101,370	6.6%	105,595	6.6%
03000	Total Federal Special Funds	399,499	32.6%	471,564	30.8%	489,269	30.8%
	03122 Eeoc	16,251	1.3%	20,775	1.4%	21,488	1.4%
	03954 Ui Administrative Grants	383,248	31.3%	450,789	29.4%	467,781	29.5%
06000	Total Proprietary Funds	60,952	5.0%	82,127	5.4%	84,254	5.3%
	06546 Commissioner'S Office/Csd	60,952	5.0%	82,127	5.4%	84,254	5.3%
Grand Total		<u>\$ 1,224,188</u>	<u>100.0%</u>	<u>\$ 1,532,642</u>	<u>100.0%</u>	<u>\$ 1,588,346</u>	<u>100.0%</u>

The Commissioner's Office and Legal and Centralized Services Division are funded from the following sources:

- General fund accounts for 13 percent of division funding, and is used for expenditures associated with Centralized Services Division support of the Human Rights Bureau in the Employment Relations Division. This function was funded with ESA funds in the 2005 biennium
- State special revenue comprises 51 percent of funding and is a mixture of employment security account (ESA), Building Codes Bureau, workers' comp regulation, Board of Medical Examiners, Board of Nursing, and the uninsured employer fund
- Federal special revenue accounts for 31 percent of funding and is derived from the UI administration grants and the Equal Employment Opportunity Commission
- Proprietary funding from the department's internal cost allocation plan accounts for 5 percent of the department's funding

Present Law Adjustments

The "Present Law Adjustments" table shows the primary changes to the adjusted base budget made by the legislature. "Statewide Present Law" adjustments are standard categories of adjustments made to all agencies. Legislative decisions on these items were applied globally to all agencies. The other numbered adjustments in the table correspond to the narrative descriptions.

Present Law Adjustments										
-----Fiscal 2006-----						-----Fiscal 2007-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Personal Services					291,874					291,296
Vacancy Savings					(50,723)					(50,704)
Inflation/Deflation					(2,307)					(2,295)
Fixed Costs					6,877					7,266
Total Statewide Present Law Adjustments					\$245,721					\$245,563
DP 8 - Commissioner's Office/CSD - Base Adjustment	0.00	2,454	18,738	5,565	28,020*	0.00	2,698	18,959	6,266	29,355*
Total Other Present Law Adjustments	0.00	\$2,454	\$18,738	\$5,565	\$28,020*	0.00	\$2,698	\$18,959	\$6,266	\$29,355*
Grand Total All Present Law Adjustments					\$273,741*					\$274,918*

DP 8 - Commissioner's Office/CSD - Base Adjustment - The legislature approved additional funding for an increase in indirect costs to support the Centralized Services Division. The funding sources include general fund, state special revenues, federal special revenues, and proprietary funding.

New Proposals

New Proposals										
-----Fiscal 2006-----						-----Fiscal 2007-----				
Program	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 3 - General Fund/ESA Fund Switch										
03	0.00	56,194	(56,194)	0	0	0.00	56,102	(56,102)	0	0
DP 6010 - 2007 Biennium Pay Plan - HB 447										
03	0.00	5,089	17,697	10,007	34,713*	0.00	12,964	45,484	25,886	89,240*
Total	0.00	\$61,283	(\$38,497)	\$10,007	\$34,713*	0.00	\$69,066	(\$10,618)	\$25,886	\$89,240*

DP 3 - General Fund/ESA Fund Switch - The legislature approved restoring general fund of approximately \$56,000 each year to the Human Rights Bureau. General fund was replaced in the 2003 Legislative session with ESA funding as a one-time only funding switch in the Human Rights Bureau.

DP 6010 - 2007 Biennium Pay Plan - HB 447 - The legislature passed a pay plan in HB 447 that provides an additional 3.5 percent (or \$1,005, whichever is greater) in FY 2006 and an additional 4.0 percent (or \$1,188, whichever is greater) in FY 2007, as well as \$46 per month in insurance contributions in calendar 2006 and an additional \$51 per month in calendar 2007. These amounts represent the program's allocation of costs to fund this pay plan.

Proprietary Rates

Proprietary Program Description

Cost allocation plan (CAP) - The Commissioner's Office and Centralized Services Division are funded through a cost allocation plan under which the other divisions in the department are assessed a percentage of their personal services costs to support centralized functions.

Technical Services Bureau - The bureau recovers costs for services to provide traffic control of data input, jobs for the mainframe computer system, and report output.

Hearings Bureau - The bureau is responsible for providing administrative hearings to the Business Standards Division's boards and the Building Codes Bureau.

Proprietary Revenues and Expenses

The goal of the program is to assess costs of centralized functions equitably to all divisions to keep fees commensurate with costs while maintaining a 60-day working capital.

Proprietary Rate Explanation

The CAP rate is determined by dividing projected non-CAP personal services expenditures by the projected costs of providing centralized services.

Technical Services Bureau - Users are directly charged for the services received and are billed quarterly. Charges are estimated during the budget submission process, and actual costs incurred are charges to the appropriate division/bureau.

Hearings Bureau - Attorneys and legal assistants charge their time based on hourly rates.

Program Legislative Budget

The following table summarizes the total legislative budget for the program by year, type of expenditure, and source of funding. Also included in the table is HB 447 pay plan allocation.

Program Legislative Budget								
Budget Item	Base Budget Fiscal 2004	PL Base Adjustment Fiscal 2006	New Proposals Fiscal 2006	Total Leg. Budget Fiscal 2006	PL Base Adjustment Fiscal 2007	New Proposals Fiscal 2007	Total Leg. Budget Fiscal 2007	Total Leg. Budget Fiscal 06-07
FTE	116.50	5.85	0.00	122.35	5.85	0.00	122.35	122.35
Personal Services	5,271,367	412,713	171,671	5,855,751	409,246	446,721	6,127,334	11,983,085
Operating Expenses	2,396,068	673,840	0	3,069,908	625,221	0	3,021,289	6,091,197
Equipment	28,281	0	0	28,281	0	0	28,281	56,562
Benefits & Claims	187,064	0	0	187,064	0	0	187,064	374,128
Total Costs	\$7,882,780	\$1,086,553	\$171,671	\$9,141,004	\$1,034,467	\$446,721	\$9,363,968	\$18,504,972
General Fund	652,774	10,579	209,191	872,544	12,192	232,245	897,211	1,769,755
State/Other Special	6,599,569	1,070,499	(50,860)	7,619,208	1,014,642	179,777	7,793,988	15,413,196
Federal Special	630,437	5,475	13,340	649,252	7,633	34,699	672,769	1,322,021
Total Funds	\$7,882,780	\$1,086,553	\$171,671	\$9,141,004	\$1,034,467	\$446,721	\$9,363,968	\$18,504,972

Program Description

The Employment Relations Division (ERD) provides five service areas:

- The Workers' Compensation (WC) Regulation Bureau regulates WC insurance coverage requirements, policy compliance, medical regulations, contractor registration, and independent contractor exemptions
- The WC Claims Assistance Bureau assists organizations and individuals to arrive at early, less expensive settlements of their disputes and provides management information on the workers' compensation system
- The Labor Standards Bureau (and administratively attached Board of Personnel Appeals) enforces state and federal labor laws related to the payment of wages, and provides collective bargaining mediation
- The Safety Bureau administers federal and state industrial safety laws
- The Human Rights Bureau (and administratively attached Human Rights Commission) enforces the Montana Human Rights Act and Governmental Code of Fair Practices through investigations, conciliation, hearings, and education

Program Highlights

Employment Relations Division Major Budget Highlights	
◆	A portion of the funding associated with the Human Rights Program is replaced with general fund from the employment security account
◆	The primary funding increase is due to the implementation of HB 108 which revises the requirements for independent contractor registration
◆	The remaining increases are primarily due to statewide present law adjustments, funding for the statewide pay plan, and increases in operating costs for the division

Funding

The following table shows program funding, by source, for the base year and for the 2007 biennium as adopted by the legislature.

		Program Funding Table Employment Relations Division					
Program Funding		Base FY 2004	% of Base FY 2004	Budget FY 2006	% of Budget FY 2006	Budget FY 2007	% of Budget FY 2007
01000	Total General Fund	\$ 652,774	8.3%	\$ 872,544	9.5%	\$ 897,211	9.6%
	01100 General Fund	652,774	8.3%	872,544	9.5%	897,211	9.6%
02000	Total State Special Funds	6,599,569	83.7%	7,619,208	83.4%	7,793,988	83.2%
	02236 Industrial Accident Rehab	42,673	0.5%	20,582	0.2%	18,631	0.2%
	02258 Employment Security Account	1,063,291	13.5%	979,849	10.7%	1,016,590	10.9%
	02263 Subsequent Injury Admin	30,361	0.4%	31,504	0.3%	33,062	0.4%
	02315 Dli Info Exchange/Rental	8,801	0.1%	-	-	-	-
	02346 Contractor Registration	319,488	4.1%	1,142,890	12.5%	1,132,615	12.1%
	02455 Workers' Comp Regulation	4,325,739	54.9%	4,511,882	49.4%	4,641,060	49.6%
	02941 Uninsured Employer Fund	809,216	10.3%	932,501	10.2%	952,030	10.2%
03000	Total Federal Special Funds	630,437	8.0%	649,252	7.1%	672,769	7.2%
	03122 Eeoc	97,363	1.2%	105,638	1.2%	109,282	1.2%
	03130 Coal Mine Safety	119,598	1.5%	121,791	1.3%	125,848	1.3%
	03195 On-Site Consultation	413,476	5.2%	421,823	4.6%	437,639	4.7%
Grand Total		<u>\$ 7,882,780</u>	<u>100.0%</u>	<u>\$ 9,141,004</u>	<u>100.0%</u>	<u>\$ 9,363,968</u>	<u>100.0%</u>

The five Employment Relations Division (ERD) services areas are funded with several sources of funds:

- General fund supports a portion of the Human Rights Bureau and the Silicosis and Social Security Benefit program, accounting for 9.5 percent of division funding
- State special revenue funds account for 83 percent of total funding within the division, being comprised of: industrial accident rehab; employment security account; uninsured employer fund; workers' comp regulation; and fees paid for the independent contractor exemption and contractor registration
- Federal funding comprises 7.5 percent of total funding for the division and is derived from coal mine safety, on-site consultation, and the equal employment opportunity account
- Proprietary funds from the subsequent injury account provide benefits to assist disabled individuals in becoming employed by offering financial incentives to those employers who hire them and account for less than 1 percent of total funding for ERD

Present Law Adjustments

The "Present Law Adjustments" table shows the primary changes to the adjusted base budget made by the legislature. "Statewide Present Law" adjustments are standard categories of adjustments made to all agencies. Legislative decisions on these items were applied globally to all agencies. The other numbered adjustments in the table correspond to the narrative descriptions.

Present Law Adjustments									
-----Fiscal 2006-----					-----Fiscal 2007-----				
FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Personal Services				361,661					358,827
Vacancy Savings				(225,324)					(225,205)
Inflation/Deflation				(35,158)					(34,566)
Fixed Costs				(32,511)					(31,379)
Total Statewide Present Law Adjustments				\$68,668					\$67,677
DP 1 - Statewide FTE Reduction	(0.15)	(8,492)	0	(8,492)	(0.15)	(8,464)	0	0	(8,464)
DP 3 - Independent Contractor Registration Revisions	6.00	0	812,490	812,490	6.00	0	792,954	0	792,954
DP 9 - Employment Relations Div - Base Adjustment	0.00	5,053	149,932	163,887	0.00	6,723	165,628	9,949	182,300
DP 10 - One-Time-Only contract with INGENIX	0.00	0	50,000	50,000	0.00	0	0	0	0
Total Other Present Law Adjustments	5.85	(\$3,439)	\$1,012,422	\$8,902	5.85	(\$1,741)	\$958,582	\$9,949	\$966,790
Grand Total All Present Law Adjustments				\$1,086,553					\$1,034,467

DP 1 - Statewide FTE Reduction - The legislature approved a reduction of general fund each year to eliminate 0.15 FTE from the division to make permanent a personal services reduction made by the 2003 Legislature.

DP 3 - Independent Contractor Registration Revisions - The legislature appropriated additional state special revenue for revising requirements for independent contractor registration. This appropriation will implement HB 108.

DP 9 - Employment Relations Div - Base Adjustment - The legislature approved a mixture of general fund, state special revenue, and federal special revenue authority for the following:

- Restoring of per diem expenses for two boards (Board of Personnel Appeals and Human Rights Commission) for \$12,600 per year.
- Funding authority increases for the agency's indirect cost allocation plan of \$45,189 in FY 2006, and \$60,122 in FY 2007
- Debt collection cost for the uninsured employers' fund (UEF) of \$100,000 per year; funding is from the UEF

DP 10 - One-Time-Only contract with INGENIX - The legislature approved a one-time-only appropriation of \$50,000 from the workers' comp regulation fund in FY 2006 to update a new medical fee schedule, which is used as the basis for Medicare and Medicaid reimbursements.

New Proposals

New Proposals										
-----Fiscal 2006-----						-----Fiscal 2007-----				
Program	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 2 - General Fund/ESA Fund Switch										
04	0.00	193,506	(193,506)	0	0	0.00	192,090	(192,090)	0	0
DP 6010 - 2007 Biennium Pay Plan - HB 447										
04	0.00	15,685	142,646	13,340	171,671	0.00	40,155	371,867	34,699	446,721
Total	0.00	\$209,191	(\$50,860)	\$13,340	\$171,671*	0.00	\$232,245	\$179,777	\$34,699	\$446,721*

DP 2 - General Fund/ESA Fund Switch - The legislature approved restoring general fund for the Human Rights Bureau. General fund was replaced with state special revenue (employment security account) in the 2003 legislative session as a one-time-only funding switch in the Human Rights Bureau.

DP 6010 - 2007 Biennium Pay Plan - HB 447 - The legislature passed a pay plan in HB 447 that provides an additional 3.5 percent (or \$1,005, whichever is greater) in FY 2006 and an additional 4.0 percent (or \$1,188, whichever is greater) in FY 2007, as well as \$46 per month in insurance contributions in calendar 2006 and an additional \$51 per month in calendar 2007. These amounts represent the program's allocation of costs to fund this pay plan.

Proprietary Rates

Proprietary Program Description

The subsequent injury fund was established in 1973 to assist disabled persons in becoming employed by offering a financial incentive to the employers who hire them. The incentive has a limit of 104 weeks of benefits paid by the employee's workers' compensation carrier in the event of an on-the-job injury to the certified employee, thus minimizing workers' compensation expenses. Beginning July 1, 1999, the fund is maintained by annual assessment of all Montana workers' compensation insurers, including self-insured employers, private insurers, and the state fund. The asset balance is maintained at approximately \$1,700,000 to provide an operating balance for payment of benefits and administrative costs.

Proprietary Revenues and Expenses

Beginning July 1, 1999, the fund is maintained by an annual assessment on all workers' compensation policyholders, which is collected by all Montana workers' compensation insurers. The assessment is statutorily set (Title 39-71-915 MCA) at the amount expended by the fund for the benefit payments plus the cost of administration in the previous calendar year, less other income. The assessment is allocated among plan 1, plan 2, and plan 3 insurers based on their compensation and medical payments for the previous calendar year. Thus, any rate beyond one year into the future is an unknown, and based solely on the insured's current year's use.

Proprietary Rate Explanation

The assessment for the subsequent injury fund is allocated among insurers based on their compensation and medical payments for the previous calendar year per 39-71-915, MCA.

Program Legislative Budget

The following table summarizes the total legislative budget for the program by year, type of expenditure, and source of funding. Also included in the table is HB 447 pay plan allocation.

Program Legislative Budget								
Budget Item	Base Budget Fiscal 2004	PL Base Adjustment Fiscal 2006	New Proposals Fiscal 2006	Total Leg. Budget Fiscal 2006	PL Base Adjustment Fiscal 2007	New Proposals Fiscal 2007	Total Leg. Budget Fiscal 2007	Total Leg. Budget Fiscal 06-07
FTE	109.03	0.50	0.00	109.53	0.50	0.00	109.53	109.53
Personal Services	4,528,538	548,053	146,641	5,223,232	554,831	383,462	5,466,831	10,690,063
Operating Expenses	5,295,151	1,266,098	0	6,561,249	1,268,758	0	6,563,909	13,125,158
Equipment	243,845	39,000	0	282,845	35,000	0	278,845	561,690
Grants	9,519	0	0	9,519	0	0	9,519	19,038
Benefits & Claims	0	0	0	0	0	0	0	0
Transfers	0	0	0	0	0	0	0	0
Total Costs	\$10,077,053	\$1,853,151	\$146,641	\$12,076,845	\$1,858,589	\$383,462	\$12,319,104	\$24,395,949
State/Other Special	10,076,960	1,853,244	146,641	12,076,845	1,858,682	383,462	12,319,104	24,395,949
Proprietary	93	(93)	0	0	(93)	0	0	0
Total Funds	\$10,077,053	\$1,853,151	\$146,641	\$12,076,845	\$1,858,589	\$383,462	\$12,319,104	\$24,395,949

Program Description

The Business Standards Division consists of four bureaus:

- The Building Codes Bureau (BCB) establishes and enforces minimum building, plumbing, mechanical, electrical, energy, elevator and boiler codes for use throughout Montana, including factory-built buildings and approves and certifies local government code enforcement programs to utilize codes adopted by the bureau. The BCB also assists the Board of Plumbers and State Electrical Board with license law enforcement by checking for proper licensing when inspecting projects for code compliance
- The Weights & Measures Bureau (WMB) is responsible for licensing, inspecting, testing and certifying all weighing and measuring devices used in making commercial transactions in Montana. The WMB also enforces laws and regulations pertaining to the quality control of prepackaged goods, the quality control of petroleum products, and responsibility for maintaining the state standards of mass and volume, applied when calibrating other mass and volume standards, used in testing commercial devices
- The Health Care Licensing Bureau (HCLB) provides administrative, clerical and compliance support for 19 licensing boards and one program, which licenses professionals and individuals working in the health care field. The licensing boards and program in HCLB include 118 board members and 6 advisory counsel members appointed by the Governor
- The Business & Occupational Licensing Bureau (BOLB) provides administrative, clerical, and compliance support for 13 licensing boards and four licensing programs that license professionals and individuals working in non-health-care-related professions and occupations.

Program Highlights

Business Standards Division Major Budget Highlights	
◆	Increases in funding are primarily due to statewide present law adjustments, funding of the statewide pay plan, and increases in operating costs for the four different bureaus
◆	The legislature approved funding for a new board for Adolescent Residential or Outdoor Programs and prescribed an origin placard on specific commodities offered for sale in Montana

Funding

The following table shows program funding, by source, for the base year and for the 2007 biennium as adopted by the legislature.

		Program Funding Table Business Standards Division					
Program Funding		Base FY 2004	% of Base FY 2004	Budget FY 2006	% of Budget FY 2006	Budget FY 2007	% of Budget FY 2007
02000	Total State Special Funds	\$ 10,076,960	100.0%	\$ 12,076,845	100.0%	\$ 12,319,104	100.0%
	02034 Earmarked Alcohol Funds	25,243	0.3%	35,905	0.3%	35,466	0.3%
	02078 Occupational Therapists	34,565	0.3%	43,224	0.4%	43,547	0.4%
	02079 Fire Protection & Permitting	26,924	0.3%	22,109	0.2%	19,013	0.2%
	02109 Board Of Outfitters	418,559	4.2%	424,983	3.5%	434,980	3.5%
	02155 Boiler,Blaster,Crane Licensing	191,109	1.9%	215,020	1.8%	218,064	1.8%
	02160 Legal Contingency Fund	-	-	70,000	0.6%	70,000	0.6%
	02359 Chemical Dependency Counselors	73,185	0.7%	51,214	0.4%	52,931	0.4%
	02446 Board Of Psychologist Exam	66,902	0.7%	67,642	0.6%	68,267	0.6%
	02448 Building Codes State Spec Rev	3,798,238	37.7%	4,308,297	35.7%	4,403,423	35.7%
	02764 Bd Of Adolescent Res. Or Outdr Pgms	-	-	21,745	0.2%	20,905	0.2%
	02767 Elevators	-	-	14,138	0.1%	10,150	0.1%
	02805 Weights & Measures Bureau	730,464	7.2%	880,678	7.3%	905,909	7.4%
	02808 Board Of Landscape Architects	55,825	0.6%	63,418	0.5%	64,773	0.5%
	02809 Board Of Speech Pathologists	31,368	0.3%	40,186	0.3%	40,902	0.3%
	02810 Bd Of Radiologic Technologists	65,725	0.7%	93,007	0.8%	94,504	0.8%
	02811 Clinical Lab Science Pract.	39,796	0.4%	65,553	0.5%	66,035	0.5%
	02812 Physical Therapists	36,332	0.4%	92,652	0.8%	94,695	0.8%
	02813 Bd Of Nursing Home Admin	41,776	0.4%	61,191	0.5%	62,336	0.5%
	02814 Bd Of Hearing Aid Dispensers	31,381	0.3%	39,631	0.3%	40,395	0.3%
	02815 Board Of Public Accountants	292,073	2.9%	335,357	2.8%	341,347	2.8%
	02816 Board Of Sanitarians	11,488	0.1%	22,897	0.2%	21,377	0.2%
	02818 Electrical Board	250,027	2.5%	287,918	2.4%	293,270	2.4%
	02819 Board Of Realty Regulations	505,806	5.0%	638,230	5.3%	650,793	5.3%
	02820 Board Of Architects	88,933	0.9%	112,064	0.9%	112,814	0.9%
	02821 Board Of Funeral Service	53,477	0.5%	69,184	0.6%	69,493	0.6%
	02822 Board Of Chiropractors	64,695	0.6%	83,576	0.7%	84,595	0.7%
	02823 Professional Engineers	271,094	2.7%	291,274	2.4%	294,977	2.4%
	02824 Board Of Medical Examiners	619,876	6.2%	751,579	6.2%	764,562	6.2%
	02826 Cosmetology Board	375,900	3.7%	429,614	3.6%	438,533	3.6%
	02828 Board Of Plumbers	151,607	1.5%	183,498	1.5%	186,646	1.5%
	02829 Private Investigator	96,275	1.0%	126,138	1.0%	128,480	1.0%
	02830 Board Of Dentistry	171,226	1.7%	172,163	1.4%	174,293	1.4%
	02831 Board Of Optometrists	37,650	0.4%	50,493	0.4%	50,273	0.4%
	02832 Board Of Pharmacy	313,557	3.1%	498,638	4.1%	513,396	4.2%
	02833 Board Of Nursing	681,867	6.8%	853,701	7.1%	876,045	7.1%
	02834 Board Of Veterinarians	52,702	0.5%	118,052	1.0%	120,524	1.0%
	02835 Board Of Barbers	16,984	0.2%	-	-	-	-
	02840 Board Of Social Workers	100,068	1.0%	107,597	0.9%	108,979	0.9%
	02841 Board Of Athletics	57,952	0.6%	90,032	0.7%	94,749	0.8%
	02852 Bd. Of Alternative Health Care	31,780	0.3%	53,513	0.4%	54,143	0.4%
	02854 Bd. Of Real Estate Appraisers	140,122	1.4%	153,545	1.3%	155,728	1.3%
	02855 Bd Of Respiratory Care	24,409	0.2%	37,189	0.3%	37,792	0.3%
06000	Total Proprietary Funds	93	0.0%	-	-	-	-
	06552 Admin Services	93	0.0%	-	-	-	-
Grand Total		<u>\$ 10,077,053</u>	<u>100.0%</u>	<u>\$ 12,076,845</u>	<u>100.0%</u>	<u>\$ 12,319,104</u>	<u>100.0%</u>

The Business Standards Division is funded exclusively with state special revenue.

- Building Codes Bureau, which is funded from inspection fees deposited into the building codes state special revenue fund
- Weights and Measures Bureau, which derives revenue primarily from annual license fees levied against all commercial weighing or measuring devices, including scales and gas pumps certified by the bureau

- Health Care Licensing Bureau, which is funded with state special revenue from the licensing boards and programs it oversees
- Business and Occupational Licensing Bureau, which is funded with state special revenue from the licensing boards and programs it oversees

The proprietary funds are based on legislatively approved rates, and are not appropriated in HB 2. Therefore, they are not shown in the table.

Present Law Adjustments

The "Present Law Adjustments" table shows the primary changes to the adjusted base budget made by the legislature. "Statewide Present Law" adjustments are standard categories of adjustments made to all agencies. Legislative decisions on these items were applied globally to all agencies. The other numbered adjustments in the table correspond to the narrative descriptions.

Present Law Adjustments										
Fiscal 2006					Fiscal 2007					
FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds	
Personal Services				578,791					581,563	
Vacancy Savings				(204,291)					(204,399)	
Inflation/Deflation				(18,267)					(18,144)	
Fixed Costs				8,472					15,910	
Total Statewide Present Law Adjustments				\$364,705					\$374,930	
DP 10 - Adolescent Residential or Outdoor Program Board										
0.00	0	21,745	0	21,745	0.00	0	20,905	0	20,905	
DP 11 - Health Care Licensing Bureau - Base Adj.										
0.00	0	585,929	0	585,929	0.00	0	613,901	0	613,901	
DP 12 - Business & Occupational Licensing Bureau-Base Adj.										
0.00	0	464,011	0	464,011	0.00	0	478,897	0	478,897	
DP 13 - Building Codes Bureau - Base Adj.										
0.00	0	137,181	0	137,181	0.00	0	157,210	0	157,210	
DP 14 - Weights & Measures Bureau - Base Adj.										
0.00	0	81,556	0	81,556	0.00	0	79,812	0	79,812	
DP 18 - Legal Contingency Fund										
0.00	0	70,000	0	70,000	0.00	0	70,000	0	70,000	
DP 30 - Occupational Board Increases										
0.00	0	26,000	0	26,000	0.00	0	26,000	0	26,000	
DP 113 - Country of Origin Placarding										
0.50	0	26,784	0	26,784	0.50	0	26,784	0	26,784	
DP 115 - Business & Occupational Licensing Regulation										
0.00	0	75,240	0	75,240	0.00	0	10,150	0	10,150	
Total Other Present Law Adjustments										
0.50	\$0	\$1,488,446	\$0	\$1,488,446	0.50	\$0	\$1,483,659	\$0	\$1,483,659	
Grand Total All Present Law Adjustments				\$1,853,151					\$1,858,589	

DP 10 - Adolescent Residential or Outdoor Program Board - The legislature appropriated \$21,745 of state special revenue in FY 2006 and \$20,905 of state special revenue in FY 2007 to implement HB 628. This bill creates a 5-member board of Private Alternative Adolescent Residential or Outdoor Program.

DP 11 - Health Care Licensing Bureau - Base Adj. - The legislature approved additional increases in state special revenue authority for the following items:

- Restore per diem of \$86,800 in FY 2006 and \$89,500 in FY 2007
- Add indirect costs and recharges of \$289,425 in FY 2006 and \$328,635 in FY 2007 to support the Centralized Services Division
- Increases in contracted professional services of \$105,240 in FY 2006 and \$102,302 in FY 2007
- Provide additional travel for board members of \$76,228 per year

DP 12 - Business & Occupational Licensing Bureau-Base Adj. - The legislature approved additional increases in state special revenue authority for the following items:

- Restoration of per diem of \$46,050 in FY 2006 and \$47,500 in FY 2007
- Additional indirect costs and recharges of \$291,025 in FY 2006 and \$321,610 in FY 2007 to support Centralized Services Division
- Restore overtime of \$16,530 per year
- Additional travel for board members of \$37,580 per year
- Contracted professional services of \$40,646 in FY 2006 and \$41,147 in FY 2007

DP 13 - Building Codes Bureau - Base Adj. - The legislature approved additional state special revenue authority from the building codes fund account for the following items:

- Indirect costs and recharges of \$72,008 in FY 2006 and \$90,537 in FY 2007
- Information technology increases in the server database of \$16,000 per year, and connectivity charges for bureau staff of \$20,175 per year
- Lodging, meals, and gasoline for \$27,498 a year

DP 14 - Weights & Measures Bureau - Base Adj. - The legislature approved additional state special revenue from the weights and measures fund account for the following items:

- Indirect costs and recharges of \$12,655 in FY 2006 and \$14,250 in FY 2007
- Building lease for the Weights and Measures Lab for \$16,173 in FY 2006 and \$16,834 in FY 2007
- Purchase of one pickup truck in FY 2006 for \$23,000 and two van bodies for \$16,000. In FY 2007 replacement of one service truck, van body, hoist, and weight carts for \$35,000

DP 18 - Legal Contingency Fund - The legislature approved reestablishing the legal contingency fund for \$70,000 each year for the Business and Occupational and Health Care Licensing Bureaus.

DP 30 - Occupational Board Increases - The legislature appropriated additional state special revenue for additional board members for the Board of Athletics and the Board of Public Accountants.

DP 113 - Country of Origin Placarding - The legislature appropriated state special revenue to implement country of origin placarding prescribed in HB 406. Origin placarding will require a country of origin placard on specific commodities offered for sale in Montana.

DP 115 - Business & Occupational Licensing Regulation - The legislature appropriated additional state special revenue for new regulations and licensure requirements for elevator contractors, mechanics, and inspectors.

New Proposals

New Proposals										
-----Fiscal 2006-----						-----Fiscal 2007-----				
Program	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 6010 - 2007 Biennium Pay Plan - HB 447										
05	0.00	0	146,641	0	146,641	0.00	0	383,462	0	383,462
Total	0.00	\$0	\$146,641	\$0	\$146,641*	0.00	\$0	\$383,462	\$0	\$383,462*

DP 6010 - 2007 Biennium Pay Plan - HB 447 - The legislature passed a pay plan in HB 447 that provides an additional 3.5 percent (or \$1,005, whichever is greater) in FY 2006 and an additional 4.0 percent (or \$1,188, whichever is greater) in FY 2007, as well as \$46 per month in insurance contributions in calendar 2006 and an additional \$51 per month in calendar 2007. These amounts represent the program's allocation of costs to fund this pay plan.

Proprietary Rates

Proprietary Program Description

The Business Standards Division maintains an internal service fund to provide administrative and support services to its 4 bureaus and 34 boards. Common costs of operation, including a 60-day working capital, are assessed through recharges to the various state special revenue accounts on an equitable basis.

Proprietary Revenues and Expenses

Division level operating costs are assessed to the four bureaus on an FTE basis, with assessments as follows: Building Codes Bureau – 44.8 percent, Weights and Measures Bureau – 8.2 percent, Health Care Licensing Bureau – 22.4 percent, and Business and Occupational Licensing Bureau – 24.6 percent. The division level, bureau level, and legal services operating costs assessments for HCLB & BOLB are passed through to the boards and programs located in each bureau on the basis of board/program-direct allocation of FTE. The boards listed by bureau are as follows:

HCLB

Bd. of Chiropractors
 Bd. of Dentistry
 Bd. of Hearing Aid Dispensers
 Bd. of Respiratory Care Practice
 Bd. of Alternative Health Care
 Bd. of Medical Examiners
 Bd. of Funeral Services
 Bd. of Nursing
 Bd. of Nursing Home Admin.
 Bd. of Optometry
 Bd. of Pharmacy
 Bd. of Veterinary Medicine
 Bd. of Psychologists
 Bd. of Speech Pathologists
 Bd. of Radiologic Tech.
 Bd. of Social Workers & Prof Counselors
 Bd. of Physical Therapists
 Bd. of Occupational Therapists
 Bd. of Clinical Lab. Science Practice
 Licensed Addiction Counselors

BOLB

Bd. of Architects
 Bd. of Athletics
 Bd. of Barbers/Cosmetologists
 State Electrical Board
 Bd. of Outfitters
 Bd. of Prof. Eng. & Land Surveyors
 Bd. of Public Accountants
 Bd. of Realty Regulation
 Board of Real Estate Appraisers
 Bd. of Sanitarians
 Bd. of Private Sec. Patrol Officers
 Bd. of Landscape Architects
 Bd. of Plumbers
 Fire Prevention Installers License
 Boiler, Blaster, Crane License

Proprietary Rate Explanation

Recharge rates are allocated to the state special revenue accounts based upon projected expenditures. Each program is assigned a percentage rate based on assigned FTE. That percentage is then applied to determine each program's share of the necessary revenues. Legal services expenditures are part of the overall recharge amounts, but fall under Centralized Services Division's budget rather than in the Business Standards Division.

Program Legislative Budget

The following table summarizes the total legislative budget for the program by year, type of expenditure, and source of funding. Also included in the table is HB 447 pay plan allocation.

Program Legislative Budget								
Budget Item	Base Budget Fiscal 2004	PL Base Adjustment Fiscal 2006	New Proposals Fiscal 2006	Total Leg. Budget Fiscal 2006	PL Base Adjustment Fiscal 2007	New Proposals Fiscal 2007	Total Leg. Budget Fiscal 2007	Total Leg. Budget Fiscal 06-07
FTE	4.00	0.00	0.00	4.00	0.00	0.00	4.00	4.00
Personal Services	142,543	15,564	5,080	163,187	16,031	13,375	171,949	335,136
Operating Expenses	103,389	15,664	0	119,053	39,197	0	142,586	261,639
Grants	2,164,437	0	0	2,164,437	0	0	2,164,437	4,328,874
Total Costs	\$2,410,369	\$31,228	\$5,080	\$2,446,677	\$55,228	\$13,375	\$2,478,972	\$4,925,649
General Fund	23,484	13,235	1,359	38,078	36,287	2,349	62,120	100,198
State/Other Special	743	0	(743)	0	0	(743)	0	0
Federal Special	2,386,142	17,993	4,464	2,408,599	18,941	11,769	2,416,852	4,825,451
Total Funds	\$2,410,369	\$31,228	\$5,080	\$2,446,677	\$55,228	\$13,375	\$2,478,972	\$4,925,649

Program Description

The Office of Community Services (OCS) provides administration of Federal Corporation for National Service programs (AmeriCorps and Campus Corps), community service, and volunteer efforts statewide, including the Volunteer Montana Program.

Program Highlights

Office of Community Services Major Budget Highlights	
♦	The increase in general fund is predominantly for the matching requirement for the Corporation for National Service grant.
♦	The remaining funding increases are primarily due to the statewide pay plan and statewide present law adjustments

Funding

The following table shows program funding, by source, for the base year and for the 2007 biennium as adopted by the legislature.

Program Funding Table Office Of Community Services							
Program Funding		Base FY 2004	% of Base FY 2004	Budget FY 2006	% of Budget FY 2006	Budget FY 2007	% of Budget FY 2007
01000	Total General Fund	\$ 23,484	1.0%	\$ 38,078	1.6%	\$ 62,120	2.5%
	01100 General Fund	23,484	1.0%	38,078	1.6%	62,120	2.5%
02000	Total State Special Funds	743	0.0%	-	-	-	-
	02258 Employment Security Account	743	0.0%	-	-	-	-
03000	Total Federal Special Funds	2,386,142	99.0%	2,408,599	98.4%	2,416,852	97.5%
	03322 Mt Community Service Fsr	2,386,142	99.0%	2,408,599	98.4%	2,416,852	97.5%
Grand Total		<u>\$ 2,410,369</u>	<u>100.0%</u>	<u>\$ 2,446,677</u>	<u>100.0%</u>	<u>\$ 2,478,972</u>	<u>100.0%</u>

Federal funds provide 98 percent of total funding for the Office of Community Services (OCS) program with the remainder provided by general fund. General fund provides the required state match for the program administration grant.

Present Law Adjustments

The "Present Law Adjustments" table shows the primary changes to the adjusted base budget made by the legislature. "Statewide Present Law" adjustments are standard categories of adjustments made to all agencies. Legislative decisions on these items were applied globally to all agencies. The other numbered adjustments in the table correspond to the narrative descriptions.

Present Law Adjustments										
-----Fiscal 2006-----						-----Fiscal 2007-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Personal Services					22,152					22,638
Vacancy Savings					(6,588)					(6,607)
Inflation/Deflation					(56)					(53)
Fixed Costs					1,341					1,455
Total Statewide Present Law Adjustments					\$16,849					\$17,433
DP 19 - Office of Community Services - Base Adj.										
0.00	328		0	1,310	1,638	0.00	420	0	1,679	2,099
DP 21 - Office of Community Service Funding Match										
0.00	12,741		0	0	12,741	0.00	35,696	0	0	35,696
Total Other Present Law Adjustments										
0.00	\$13,069		\$0	\$1,310	\$14,379	0.00	\$36,116	\$0	\$1,679	\$37,795
Grand Total All Present Law Adjustments					\$31,228					\$55,228

DP 19 - Office of Community Services - Base Adj. - The legislature approved additional general fund and federal special revenues for increases in indirect costs that support the administrative functions in the Centralized Services Division.

DP 21 - Office of Community Service Funding Match - The legislature approved general fund authority for the required state match of 100 percent of the administrative grant received from the Corporation for National Service. The OCS receives a federal grant from the Corporations for National Service each year for \$2.4 million. Within the grant is an administrative grant for \$143,000.

New Proposals

New Proposals										
-----Fiscal 2006-----						-----Fiscal 2007-----				
Program	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 4 - General Fund/ESA Fund Switch										
07	0.00	743	(743)	0	0	0.00	743	(743)	0	0
DP 6010 - 2007 Biennium Pay Plan - HB 447										
07	0.00	616	0	4,464	5,080	0.00	1,606	0	11,769	13,375
Total	0.00	\$1,359	(\$743)	\$4,464	\$5,080*	0.00	\$2,349	(\$743)	\$11,769	\$13,375*

DP 4 - General Fund/ESA Fund Switch - The legislature approved restoring general fund that was replaced with employment security account funds in the 2003 legislative session as a one-time-only funding switch

DP 6010 - 2007 Biennium Pay Plan - HB 447 - The legislature passed a pay plan in HB 447 that provides an additional 3.5 percent (or \$1,005, whichever is greater) in FY 2006 and an additional 4.0 percent (or \$1,188, whichever is greater) in FY 2007, as well as \$46 per month in insurance contributions in calendar 2006 and an additional \$51 per month in calendar 2007. These amounts represent the program's allocation of costs to fund this pay plan.

Program Legislative Budget

The following table summarizes the total legislative budget for the program by year, type of expenditure, and source of funding. Also included in the table is HB 447 pay plan allocation.

Program Legislative Budget								
Budget Item	Base Budget Fiscal 2004	PL Base Adjustment Fiscal 2006	New Proposals Fiscal 2006	Total Leg. Budget Fiscal 2006	PL Base Adjustment Fiscal 2007	New Proposals Fiscal 2007	Total Leg. Budget Fiscal 2007	Total Leg. Budget Fiscal 06-07
FTE	5.00	1.00	0.00	6.00	1.00	0.00	6.00	6.00
Personal Services	324,253	88,931	11,658	424,842	87,989	29,834	442,076	866,918
Operating Expenses	110,371	30,580	0	140,951	31,763	0	142,134	283,085
Total Costs	\$434,624	\$119,511	\$11,658	\$565,793	\$119,752	\$29,834	\$584,210	\$1,150,003
State/Other Special	434,624	119,511	11,658	565,793	119,752	29,834	584,210	1,150,003
Total Funds	\$434,624	\$119,511	\$11,658	\$565,793	\$119,752	\$29,834	\$584,210	\$1,150,003

Program Description

The Workers' Compensation Court provides a forum for Montana employees and the insurance industry to resolve disputes arising from work-related injuries and occupational disease. The court is attached to the department for administrative purposes only.

Program Highlights

Workers Compensation Court Major Budget Highlights	
◆	Funding increases are primarily due to an increase of 1.0 FTE for an additional attorney and the statewide pay plan

Funding

The Workers' Compensation Court is exclusively funded with workers' compensation regulation funds from assessments on employers, insurers, and state funds. This fund was formed to pay for workers compensation regulation.

Present Law Adjustments

The "Present Law Adjustments" table shows the primary changes to the adjusted base budget made by the legislature. "Statewide Present Law" adjustments are standard categories of adjustments made to all agencies. Legislative decisions on these items were applied globally to all agencies. The other numbered adjustments in the table correspond to the narrative descriptions.

Present Law Adjustments										
-----Fiscal 2006-----						-----Fiscal 2007-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Personal Services					24,580					23,843
Vacancy Savings					(13,952)					(13,925)
Inflation/Deflation					(1,510)					(1,478)
Fixed Costs					(1,873)					(1,876)
Total Statewide Present Law Adjustments					\$7,245					\$6,564
DP 20 - Workers' Compensation Court - Base Adj.	0.00	0	23,963	0	23,963	0.00	0	25,117	0	25,117
DP 902 - Workers' Compensation Staff Attorney	1.00	0	88,303	0	88,303	1.00	0	88,071	0	88,071
Total Other Present Law Adjustments	1.00	\$0	\$112,266	\$0	\$112,266	1.00	\$0	\$113,188	\$0	\$113,188
Grand Total All Present Law Adjustments					\$119,511					\$119,752

DP 20 - Workers' Compensation Court - Base Adj. - The legislature approved additional state special revenue authority for travel, contracted services, and rent increases. The source of the state special revenue is the workers' compensation regulation fund (WCR).

DP 902 - Workers' Compensation Staff Attorney - The legislature approved additional funding to hire one additional staff attorney for the Workers' Compensation Court (WCC). The source of the state special revenue is the WCR fund.

New Proposals

New Proposals										
-----Fiscal 2006-----						-----Fiscal 2007-----				
Program	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 6010 - 2007 Biennium Pay Plan - HB 447										
09	0.00	0	11,658	0	11,658	0.00	0	29,834	0	29,834
Total	0.00	\$0	\$11,658	\$0	\$11,658*	0.00	\$0	\$29,834	\$0	\$29,834*

DP 6010 - 2007 Biennium Pay Plan - HB 447 - The legislature passed a pay plan in HB 447 that provides an additional 3.5 percent (or \$1,005, whichever is greater) in FY 2006 and an additional 4.0 percent (or \$1,188, whichever is greater) in FY 2007, as well as \$46 per month in insurance contributions in calendar 2006 and an additional \$51 per month in calendar 2007. These amounts represent the program's allocation of costs to fund this pay plan.